California Farmland Conservancy Program Focus on Farmland

Newsletter of the CFCP Winter 2006

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This edition of Focus on Farmland features:

- CFCP Easement Grant in Sutter County
- Smart Uses of CFCP Planning Grant Funding
- Other News and Upcoming Events

Ducks Unlimited Permanently Protects Rice Land in Sutter County

Ducks Unlimited, Inc., (DU), the Department of Conservation's California Farmland Conservancy Program (CFCP) and the USDA/NRCS Farm and Ranch Lands Protection Program (FRPP) partnered to purchase a 316-acre agricultural easement on the Cress-Sheehy Farm in Sutter County, southwest of Yuba City. Located adjacent to an existing agricultural easement from a previous DU, CFCP, and FRPP partnership, the Cress-Sheehy easement establishes over 1,000 contiguous acres of permanently preserved farmland and is the latest in a series of agricultural easements in the Sutter Basin. The Sutter Basin is being threatened by rapidly expanding urban and rural ranchette growth from Yuba City to the north and Sacramento and Woodland to the south. The Cress-Sheehy



Cress-Sheehy Farm in Sutter County Photo by Ducks Unlimited

easement will help bolster the long-term viability of agriculture in this increasingly threatened area.

In addition to its importance as a farming area, the Sutter Basin is a crucial area for waterfowl and other wetland dependent species.

Located near the Sutter National Wildlife Refuge, the agricultural easements provide key migratory waterfowl habitat and form a buffer zone that benefits the entire ecosystem of the Sutter National Wildlife Refuge.

The property has been in agricultural production and owned by the Cress-Sheehy-Boyd family for several generations. Don Boyd, purchased the property with a partner in the late 1940s. Lorie Cress is Boyd's granddaughter and the only living member of the original family. According to Lorie, the farm

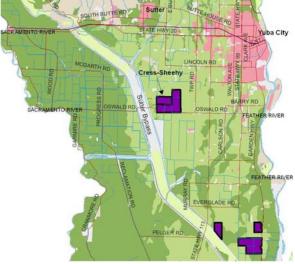
has always been utilized as a rice-producing farm, but Boyd was a large producer of tree crops including prunes, almonds, and peaches.

Over the past 10 years, DU has worked with individual Sacramento Valley farmers to provide the support necessary to preserve and protect productive agriculture through its Conservation Easements

for Agricultural Land (CEAL) Program. This program has built strong relationships with

owners/operators; local, state and federal resource managers; county planners; and government representatives to help build long-term strategies to keep the Sacramento Valley's agricultural economy strong. "Landowner outreach is at the heart of our program," said Joe Navari of Ducks Unlimited. "Farmers like Paul and Lorie Cress love the land, their agricultural heritage and the wildlife benefits that agricultural lands provide. Through the CEAL program they can protect their land for future generations and for wildlife." For more information, visit www.ducks.org.

DU purchased the easement with \$427,250 in funding from CFCP, \$100,000 from FRPP, and \$27,750 from the landowner via bargain sale. Both CFCP and FRPP provide matching funds to help purchase development rights to keep productive farm and ranchland in agricultural uses. FRPP provides up to 50 percent of the fair market easement value of the conservation easement. CFCP provides up to 95 percent. For more information about FRPP, visit its website.



Cress-Sheehy Farm shown adjacent to the larger Shannon Farm, which is also protected by a CFCP- funded easement, as are the other purple-shaded properties to the south

Smart Uses of CFCP Planning Grant Funding

Although the bulk of CFCP grant awards are for agricultural conservation easement acquisitions, the program also offers planning and technical assistance grants that support agricultural land conservation and easement acquisition work. Activities and costs that may be supported through overall conservation planning work may include appraisals, surveys, title review, staff and consultant costs, and other costs directly related to bringing agricultural conservation easements to the acquisition stage. With the greatly enhanced and expanded federal conservation tax benefits enacted in 2006 for donations of qualified interests in land, CFCP planning grant funds are one of the few sources of seed money to translate landowner interest in donations into actual conservation projects. Here's a look at four recently initiated CFCP planning grants.

Land Trust of Napa County

The Land Trust of Napa County has a long history of working with landowners to donate conservation easements throughout the county. A planning/technical assistance grant from the CFCP will allow the land trust to greatly expand its donated easements work and enable the land trust to meet the expected demand created by the greatly enhanced and expanded federal conservation tax benefits enacted this past August for donations of qualified interests in land (see Pension Protection Act of 2006, summarized at www.lta.org). The land trust's expanded easement donation efforts include hiring a full-time staff person to coordinate both the outreach and implementation of the donated easements program. The outreach component is designed to educate agricultural landowners, attorneys, and accountants about the recent changes to the federal tax law that encourages donations through 2007. This is being accomplished by hosting workshops, neighborhood meetings, and preparing and distributing a brochure detailing the new tax benefits. The implementation component involves soliciting and ranking applications from agricultural landowners for conservation easement donations. The land trust will follow up on the applications that show the greatest promise and initiate

the conservation easement process with the goal of completing 10 or more easement donations by the end of the grant term.

California Council of Land Trusts

The California Council of Land Trusts (CCLT) is also implementing a project designed to capitalize on the time-sensitive opportunity presented by the new federal tax incentives for donated easements. This CFCP-supported project will assist California's land trusts in quickly responding to the new tax incentives by undertaking several efforts to encourage the donation of agricultural conservation easements on agricultural lands. The first component entails outreach and communication: CCLT will prepare and distribute brochures, a press kit, and a website module for land trusts to use, all with the goal of spreading the word about the new tax incentives. The second effort focuses on professional education. CCLT will develop and offer at least four workshops and offer quarterly updates that will communicate changes and maintain attention on the tax incentives among the professional community. The final aspect of the grant involves CCLT developing and managing a "mini-grant" program to help fund some of the associated transaction costs of at least seven agricultural easement donation or bargain sale projects. In certain situations these transactions may also be able to take advantage of state tax credits offered through the Natural Heritage Preservation Tax Credit Act (see www.wcb.ca.gov). As a coordinating voice for more than 200 land trusts working in local communities throughout California, CCLT is well suited to implement this statewide, land trust-oriented project.

American Basin Planning Grant

CFCP and Ducks Unlimited (DU) are working together to identify, develop, and secure funding for at least three agricultural conservation easements within the American Basin of Sutter and Placer counties. To identify strategic properties, DU is using computer mapping capabilities developed in partnership with the Natural Resources Conservation Service. DU is also working closely with The Sacramento Valley Water Quality Coalition and the American Basin Working Group in identifying strategic properties. The grant's project development phase began with DU performing landowner outreach and education about conservation easements. As interested landowners come forward, DU reviews and ranks the potential projects. For those projects with the most promise, DU will follow up with basic easement negotiations, appraisals, and title reviews. The final phase of the grant involves DU working to secure funding for these potential easement acquisition projects.

Middle Mountain Foundation Planning Grant

Through assistance from a CFCP Planning Grant, The Middle Mountain Foundation (MMF) will begin to implement its recently created Agricultural Land Protection Agreement Project. The project will assist landowners in securing conservation easements in six designated agricultural areas in the northern Sacramento Valley counties of Colusa, Sutter and Yuba. Implementation will start with landowner outreach, followed by project evaluation and ranking. Top-ranked projects will then be appraised and become potential conservation easement transactions. MMF will focus its efforts on landowners in prime agricultural areas and adjacent to other protected properties.

MMF was originally incorporated as a nonprofit organization with an objective of protecting the natural environment of the area surrounding and including the Sutter Buttes. Since merging with Yuba-Sutter Land Trust, MMF has expanded its role and efforts beyond the immediate area of the Sutter Buttes to protect agricultural land in Colusa, Sutter and Yuba counties. As a land trust, MMF owns land in the Sutter Buttes, which are located just outside of Marysville in the Sacramento Valley.

For more information about CFCP planning grants, please visit our website.

In Brief:

Internet Resource: The **Land Trust Alliance** has posted on its <u>website</u> materials, presenters, and speeches from the **National Land Conservation Conference: Rally 2006** in Nashville, TN.

CFCP Staff News: On January 2, CFCP Grant Manager **Deniz Tuncer** gave birth to a little girl, Peri Ruth Cressman. Deniz and her family are all doing well.

Upcoming Events:

Join your friends and colleagues at the 3rd annual **California Land Trust Conference**. It is scheduled for March 5-7 in Sacramento. More information is available at the **California Council of Land Trusts**' website, www.calandtrusts.org.

The **California Farm Conference** will be March 4-6, 2007 in Monterey, California. This marks the 20th convening of the California Farm Conference, which is described as the state's premier gathering of small farmers and those who support them. The three-day educational conference includes on-farm tours, focused workshops, general educational sessions and opportunities for peer networking. For more information visit www.californiafarmconference.com.

Mark your calendars, **Great Valley Center's** Annual Conference "**Our Place in the World 10**" is scheduled for May 9-10, 2007 in Sacramento. Registration and keynote speaker information is coming soon and will be posted on the <u>Conference Page</u>.

The California Chapter of the American Society of Farm Managers and Rural Appraisers has its **2007 Spring Ag Outlook Conference** scheduled for April 25th in Sacramento. For more information visit www.calasfmra.com.

The California Farmland Conservancy Program, administered by Department of Conservation's Division of Land Resource Protection, is designed to ensure that the state's most valuable farmland can be preserved. Through the program, local governments and nonprofit organizations can receive grants to purchase development rights from willing landowners, thus creating permanent conservation easements.

We hope you've found this issue of *Focus on Farmland* useful and informative. Please contact us with any questions or ideas you have for future editions. Feel free to forward this email to other interested parties.

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California Farmland Conservancy Program



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